

State of Florida

-M-E-M-O-R-A-N-D-U-M-

DATE: January 8, 1999
 TO: Division of Legal Services (Reyes)
 FROM: Division of Water and Wastewater (Walker) *NA* *BS*
 RE: Docket No. 981288-WU - Application for Certificate to operate a water utility in Charlotte and Lee Counties by Town & Country Utilities Company

We would like to ask Town & County Utilities Company to produce supporting documents and answer some interrogatories.

Interrogatories

1. Why should costs relating to ownership of treatment plant sites be recovered through annual leasing charges rather than by return on investment measures?
2. What is the approximate amount of acreage needed per well site to produce: a) non-potable water for agricultural purposes, b) potable water for residential and commercial customers, and c) non-potable water for resale purposes?
3. What would be the approximate cost of the subject sites based upon their original cost when first devoted to utility purposes?
4. How was the proposed lease expense of \$1,000 per site derived?
5. Is the proposed lease expense based on the size of the well, and, if not, why not?
6. According to page 3-4 of Exhibit A, the Telegraph Cypress Field Club was one of the recreational facilities for the Ranch. Per Schedule No. 12 of Exhibit B, the respective investments for the other recreational areas are considered property CIAC. Since the other recreational areas are considered property CIAC, why is the installation cost for Telegraph Cypress Field Club capitalized?

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7. The map on Figure 4-1 (Exhibit A) indicates that the development densities for the proposed service areas will agree with local comprehensive plans. What are the presently allowed densities for the subject areas in Lee County and in Charlotte County?
8. What treatment method is presently proposed for wastewater for the subject service areas?
9. Does the absence of wastewater treatment service limit residential development in the subject service areas?
10. How are water and wastewater services presently provided for residents of the North River Oak Residential Development area described on page 1-4 of Exhibit A?
11. Exhibit A, Page 3-1 lists several current users of the utility's potable water system. How does the utility presently recover the cost of providing water service from those customers?
12. How were costs related to providing non-potable agricultural irrigation water service previously recovered?
13. Table 2-2 of Exhibit A lists the projected number of meters for the potable water system. A single meter is shown for the Crossroads Wilderness Institute, but Appendix A-15 shows several buildings at this site. How many buildings will be separately metered at this location?
14. A single meter is shown for the Ranch Headquarters, but appendix A-4 shows several buildings at this site, and page 3-4 indicates that there are several employee dwelling units. Significant flow was also suggested for cleaning and shop purposes. How many buildings and dwelling units will be separately metered at this location?
15. A single meter is shown for Babcock Wilderness Adventure Tours, but Appendix A-6 shows several buildings at this site. Significant flow was also suggested to wash tour vehicles. How many buildings will be separately metered at this location?
16. Sixteen meters are forecast for the Recreational Facilities listed on Table 2-2 of Exhibit A, but page 3-6 indicates that there are twenty-two sites. Is the number of meters for the Recreational Facilities on Table 2-2 incorrect?

17. Page 4-4 of Exhibit A suggests that the combined "capacity" of the potable water system is 96,400 gallons per day. Does this amount represent the production capacity of the individual wells or an estimate of the expected amount of customer demand? Provide any supporting schedules that show comparative demand and production calculations
18. Initial demand details show that, on average, the different recreational sites will only be used four months each. Would a proportionate reduction to the lease expense be proper?
19. Was the provision for purchased power on Schedule 15 of Exhibit B adjusted to reflect partial use of those facilities?
20. Schedule No. 15 of Exhibit B shows a projected \$7,500 expense to test three well systems. Is this \$7,500 expense the projected annual expense or a periodic cost that should be amortized?
21. How were the estimated provisions for purchased power costs on Schedule 15 of Exhibit B derived? If actual bills were used, provide representative copies.
22. Can existing non-potable farm wells be used to produce bulk water for resale purposes?
23. Are additional engineering costs now being incurred to proceed with construction of bulk water resale facilities?
24. By letter dated December 4, 1998 (attached), the Department of Community Affairs commented that this application appears to be inconsistent with Charlotte County's comprehensive plan. Does the applicant agree that Charlotte County, according to its comprehensive plan, may direct the timing, location, density and intensity of development within Charlotte County? If not, please explain.
25. This letter indicates that the need for utility service is minimal. Please respond to that information, and also provide any other data that would support a need for utility service, such as developer requests, updated growth projection statistics, etc.
26. Does the applicant agree that granting the requested certificate will promote intense development in a rural area, premature conversion of agricultural land to rural use, or sprawling of development? Please provide a full explanation with your response.

Production of Documents

27. Submit copies of any correspondence from any neighboring utilities that have actually asked this utility to supply bulk water for resale purposes.
28. Submit copies of all documents that support the requested \$103,000 provision for organizational costs listed on Schedule No. 5 of Exhibit B.
29. Referring to page 5-1 of Exhibit A, submit a copy of the most recent non-potable irrigation water use permit that was issued by the South Florida Water Management District.

cc: Division of Records and Reporting
Division of Water and Wastewater (Redemann)



J. Murley

STATE OF FLORIDA
DEPARTMENT OF COMMUNITY AFFAIRS

"Helping Floridians create safe, vibrant, sustainable communities"

LAWTON CHILES
Governor

JAMES F. MURLEY
Secretary

December 4, 1998

Mr. Charles H. Hill
Division Director
Division of Water and Wastewater
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Fl 32399-0850

RECEIVED

DEC 07 1998

Florida Public Service Commission
Division of Water and Wastewater

Re: PSC Docket No. 981288-WU: Application by Town and County Utility Company for an Original Certificate in Charlotte and Lee Counties, Florida

Dear Mr. Hill:

We have completed the review of the application for original utility certification for Town and County Utility Company received on October 15, 1998. The Board of County Commissioner's of Charlotte County, Florida, has raised objections to the proposed Town and Country Utility certification. The County believes that the certification of this area for water services will promote a sprawling development pattern in the County, a process the County is trying to control by requiring that new developments be consistent with the Urban Service Area strategy and the policies of Charlotte County's comprehensive plan.

In support of Charlotte County, the Department of Community Affairs hereby objects to the proposed water service certification because it will negate the purpose of Charlotte County's Urban Service Area strategy and be inconsistent with the policies of the comprehensive plan adopted pursuant to Chapter 163, Part II, Florida Statute.

The Future Land Use Map designation in Charlotte County, where about 90 percent of the subject area occupies, is mostly Agriculture/Conservation (maximum of 1 dwelling unit per 40 acres). The portion in Lee County is in Rural designation as well. This subject area is outside the Urban Service Area of Charlotte County, extremely rural and not projected to grow within the planning timeframe. According to Charlotte County staff, only 62 people lived in the 90,000-acre area during the 1990 US Census.

It is the objective of Charlotte County's comprehensive plan to direct intense development to the Urban Service Area, and discourage development within rural and agricultural areas, in order to promote a coherent and systematic growth of the county. Objective

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Mr. Charles H. Hill
December 4, 1998
Page Two

1.1 of Charlotte County's Future Land Use Element specifically requires the county to direct the timing, location, density and intensity of development and infrastructure to the Urban Service Area. The proposed utility certification is not supported by Charlotte County's Comprehensive Plan Infrastructure Element policies. For example, Policy 9.1.1 encourages utility services to occur in a manner that supports the Urban Service Area strategy of the County, i.e., be directed toward the infill areas. Similarly, Policy 9.1.4 specifies that certificated areas will not be extended or expanded for potable water or sewer service outside Infill Area boundaries of the Urban Service Area. The proposed utility certification area is not supported by the Urban Service Area strategy of the County and will be inconsistent with the policies of Charlotte County's comprehensive plan. Furthermore, the utility certification has the potential to promote intense development in a rural area, premature conversion of agricultural land to urban use and the sprawling of development.

These very concerns were addressed by the Governor and Cabinet approximately eight years ago when Charlotte County adopted its original comprehensive plan under the 1985 Growth Management Act. The Department issued a Notice of Intent to find that comprehensive plan not in compliance with state law and presented its case to an Administrative Law Judge. The Judge concurred with the position taken by the Department, and forwarded his Recommended Order that the plan be found not in compliance to the Governor and Cabinet who, sitting as the Administration Commission, ordered the County to amend its comprehensive plan to prohibit the public provision of water and sewer outside the Urban Service Area, to reduce densities in the outlying areas to one dwelling unit per forty acres (the County had proposed one unit per acre), and to direct the provision of infrastructure within the Urban Service Area in order to combat urban sprawl. The County complied with that mandate by amending its original plan.

Importantly and quite commendably, the County has furthered these principles by adopting into its current plan policies that further and, in fact, strengthen the principles to which it was directed by the Governor and Cabinet. It is also worthy of note that 1000 Friends of Florida bestowed upon the County an award for outstanding achievement based upon the significant measures in the current comprehensive plan to direct orderly and well-timed growth.

The current proposal by Town and Country is contrary to the important principles embodied in the original Charlotte County comprehensive plan, as amended, and in the newly-adopted plan. These directives came from the Governor and Cabinet, sitting as the state's supreme land planning decision-making body, and should be afforded significant weight.

Mr. Charles H. Hill
December 4, 1998
Page Two

Thus, for the reasons stated above, the Department recommends that this request for water certification be denied. If you have any questions on this matter, please call Bernard O. Piawah, Planning manager, Bureau of Local Planning at (850) 487-4545.

Sincerely,



J. Thomas Beck, Chief
Bureau of Local Planning

JTB/bp

cc: David Smith, Charlotte County Planning Department
Wayne Daltry, Southwest Florida Regional Planning Council
Ms. Burton, Charlotte County Attorney

